

increase in their operating cost, but we must recognize that the school cost because of either increasing or decreasing enrollment or not a straight line increase or decrease but they tend to be a stair step type of increase in that a few students could be absorbed for two or three years without any principle change in teaching staff and then perhaps the third year sufficient students were added or the reverse could be decreased and that staff changes could take place and this permits this type of flexibility necessary. Section ten, is division of two other special programs that is designed to provide five million dollars transportation costs which would represent approximately 50% of the transportation cost as they now occur and then the bill would also appropriate second year five million and the programs for economically deprived school children attending the public schools, this is possible to the or comparable to the program which is now in the present law and has been since 1967 act but it does set a separate amount of money again by staff calculations this would constitute about half of the costs that are currently concurred for this area. Section eleven is to be the limitation bill as provided in the or the limitation section is provided in the bill. I would like to suggest at this point that the discussion of a limitation in 772 or any other state aid bill that will before the body would not be on the state aid bill or in its distribution formula that will reserve a section of this issue on LB984 that was heard by the appropriations committee yesterday. I could report to you this morning that our staff, our education staff is concurred this morning with representatives of the Governor and in their discussions I would be....I was informed a few minutes ago they have agreed to a number of changes to 984, which I assume would presented to the appropriations committee for their consideration in turn placed on General File. It would be my thought that if LB772 is advanced this morning that it would be held on Select File until such time that 984 is disposed of by the body in one form or the other so that we could determine whether a limitation is the desire of both the legislature as well as the Governor and whether or not they can concur with the same form. I think that it is important that we consider limitation in that respect in any event according to the Governor's presentation he would item veto the 20 million that was appropriated last time in any appropriation act this time unless a limitation was imposed on school operations. Since that is a crucial decision I think that it should be handled separately and I will now at this point defend the kind of limitation that is placed on LB772. Section twelve might be somewhat questionable but again it was designed to curb additional expenditures by virtue of state aid and it states that any new programs established by a school in the year 74-77 would be incurred totally at local expense. Section thirteen is the payout date for the schools as comparable or the same as we currently have in the state law by having four pay offs as we now have. It is helpful for the cash flow problems that the state may have or avoid cash flow problem and it is also an assistant to school districts in that they do not need to carry as high a reserve as they previously did under a heavy reliance of property tax in order to avoid the writing of warrants. Section fourteen is a further expansion or clarification of the amendment that was offered for LB472 by Senator Burbach las year in which we recognized at that time that there were some schools with high access evaluation per pupil and high cost in some cases they could not be